



# PREPROPOSAL STATEMENT OF INQUIRY

**CR-101 (June 2004)**

(Implements RCW 34.05.310)

Do NOT use for expedited rule making

**Agency:** Department of Financial Institutions, Securities Division

**Subject of possible rule making:** The Securities Division proposes to amend the rules contained in Chapter 460-11A WAC. These rules provide for a streamlined registration process for securities offerings of Canadian issuers and were developed through the coordinated efforts of various states and the North American Securities Administrators Association ("NASAA"). The NASAA model rules on which they are based were updated in 2005. The Securities Division proposes to revise these rules to conform to the 2005 amendments to the NASAA model rules.

**Statutes authorizing the agency to adopt rules on this subject:** RCW 21.20.450, .240

**Reasons why rules on this subject may be needed and what they might accomplish:** The rules contained in Chapter 460-11A WAC were adopted by the Securities Division in 1991. The NASAA model rules on which these rules are based were updated in 2005 for a number of reasons, including to change the streamlined registration period to conform with the change previously made by Canadians, who reduced the minimum period from 7 days to 3 days. The Securities Division adopted these rules in part to make its rules with respect to securities offerings by Canadian issuers uniform with other states and Canada in accordance with RCW 21.20.450. The Securities Division proposes to revise these rules to maintain their uniformity in light of the 2005 amendments to the NASAA model rules.

**Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:** The federal Securities and Exchange Commission, other state securities regulators and Canada also regulate offerings affected by these rules. The Securities Division proposes to revise these rules to maintain uniformity with these other regulators with respect to the regulation of securities offerings by Canadian issuers.

**Process for developing new rule (check all that apply):**

☐ Negotiated rule making

☐ Pilot rule making

☐ Agency study

☒ Other (describe) Proposed NASAA Statements of Policy are published for internal and public comment prior to adoption. Comments received from the public and the SEC are considered and incorporated in the proposal as appropriate.

**How interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication:**

(List names, addresses, telephone, fax numbers, and e-mail of persons to contact; describe meetings, other exchanges of information, etc.)

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**DATE**

September 8, 2006

**CODE REVISER USE ONLY**

**NAME (TYPE OR PRINT)**

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**SIGNATURE**

**TITLE**

**Director – Securities Division**